



General Information

Who must file Form ST-556?

If you are an out-of-state lessor who is also in the business of selling used vehicles, watercraft, aircraft, trailers, or mobile homes to Illinois buyers and the items are located in Illinois at the time of the sale, you must report these sales on Form ST-556, Sales Tax Transaction Return. This situation will occur most often when you sell a motor vehicle to an Illinois lessee at the end of a lease.

Note: Under Illinois law, lessors selling passenger-plated vehicles coming off lease are automatically deemed to be in the business of selling such motor vehicles.

Must I keep forms that are void?

Yes. Write "Void" across the form; keep it with your records for 42 months in case of an audit. Do not send any part of the form to us.

How do I obtain forms and get help?

Form ST-556 is preprinted for each of your business locations. You can obtain Form ST-556 by calling our Central Registration Division at **217 785-3707**.

You can also obtain related forms, which are not preprinted, by

- visiting our web site at **tax.illinois.gov**
- calling our 24-hour Forms Order Line at **1 800 356-6302**
- writing to
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19010
SPRINGFIELD IL 62794-9010

You can get help by

- visiting our web site at **tax.illinois.gov**
- calling our Taxpayer Assistance Division at **1 800 732-8866** or **217 782-3336**
- calling our TDD (telecommunications device for the deaf) at **1 800 544-5304**
- writing to
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19015
SPRINGFIELD IL 62794-9015

Specific Instructions

1 Write the buyer's name and address

The buyer's name and address must be the same as the name that will be written on the application for title or registration. If there is more than one buyer, be sure to write each name.

2 Describe the item sold

Note: If you sold more than one type of item — a watercraft and a trailer, for example — or more than one item of the same type — three motor vehicles, for example — you must generally complete a separate Form ST-556 for each item sold. If, however, you wish to report **sales for resale** or sales for use in **rolling stock** of more than one of the same type of vehicle, watercraft, aircraft, trailer, or mobile home to the same buyer with the same date of delivery, you may file Form ST-556-R, Resale and Rolling Stock Fleet Exemption Schedule, attached to a single Form ST-556.

Check the correct box (A-F) to show the type of item sold. If the type of item sold is not identified in boxes A-E, check box F and write the type of item sold on the line provided.

Check the box marked "used" to show that you are selling an item that has previously been titled.

Next, write the appropriate identification number for the item sold, such as a vehicle identification number (V.I.N.) for vehicles, trailers, and mobile homes, a hull identification number (HIN.) for watercraft, or (N) number for aircraft.

Finally, write the year, make, body style, and model of the item sold.

3 Write the date of delivery

Write the month, day, and year in which the buyer took possession of the item. If the buyer has been leasing the item and, therefore, already has possession of it, write the date you applied for a change in the title.

Note: This return is due no later than 20 days after the date of delivery.

4 Describe the trade-in, if any

If you did not claim a qualified trade-in, skip this section and go to Section 5.

If you claimed a qualified trade-in, write the type of item traded in (for example, automobile, truck, airplane, boat, trailer). Next, write the appropriate identification number, year, make, body style, and model of the trade-in.

What is a qualified trade-in?

A qualified trade-in is an item

- that the buyer gives you to reduce the selling price (in part or in full) of the item sold;
- that you are allowed to subtract from the total price; and
- that you are in the business of selling.

You are "in the business of selling" a particular kind of item if you hold yourself out to the public as being engaged in (or habitually engage in) selling such items.

Examples

You may claim the trade-in of a boat on an auto if you are in the business of selling **both** boats and autos.

However, you may not claim the trade-in of a boat on an auto if you are in the business of selling **only** autos.

5 Exempt

If the sale is taxable, skip this section and go to Section 6.

If the sale is exempt, check the correct box (A-F), and complete Section 6, Lines 1 and 2.

If you are not required to submit title or registration paperwork on the item, send the return directly to us at Illinois Department of Revenue, Retailers' Occupation Tax, P.O. Box 19042, Springfield, IL 62794-9042.

A. Sold to a nonresident buyer (NOT an out-of-state dealer)

Do not check this box. Because all the sales you report will be to Illinois buyers, this exemption cannot apply to any of your sales.

B. Sold for resale to a DEALER

Check this box if you sold the item to an Illinois dealer for resale. Write the Illinois account ID number and the license number of the dealer to whom you sold the item. If you sold to an Illinois dealer as junk or salvage or for parts, write "Junked," "Salvage," or "Parts Only" after the account ID number. Keep a completed Form CRT-61, Certificate of Resale, in your books and records for documentation.

C. Sold to an exempt organization

Check this box if you sold the item to one of the following tax-exempt Illinois buyers that have an active Illinois Sales Tax exemption "E" number:

- a government agency
- a school
- a religious organization
- a charitable organization

In the space provided, write the organization's active Illinois Sales Tax exemption "E" number. To qualify, the buyer must be the organization itself rather than a member or officer of the organization. The item must be titled and/or registered in the organization's name and paid for with the organization's funds. The organization's exemption number must have been in effect on the day you made the sale.

Note: In addition, you may check this box if

- the motor vehicle purchase is specifically for the purpose of donating it to an exempt organization that the department has determined is organized and operated exclusively for educational purposes. In the space provided, write the active Illinois Sales Tax exemption "E" number of the educational organization to which the vehicle is being donated, or
- the purchase is made by a lessor who will lease it to a government organization. In the space provided, write the active Illinois Sales Tax exemption "E" number of the government organization.

D. Sold to an interstate carrier for hire for use as rolling stock

Check this box if you sold an item for use as rolling stock to haul persons or commodities for hire in interstate commerce. In the space provided, write the certificate of authority number. Keep a properly completed Form RUT-7, Rolling Stock Certification, in your books and records for documentation.

E. Sold for rental use

Check this box if

- you sold the vehicle to an Illinois business that is registered to collect Automobile Renting Tax and
- the buyer will use the vehicle for rental purposes in rental agreements of one year or less.

Write the buyer's Illinois account ID number.

F. Other

Check this box if the sale is exempt for a reason not identified in boxes A - E.

For example: You sold the item to a foreign consul who has a card from the U.S. Department of State declaring that the foreign consul does not have to pay sales tax on that item. In the space provided, write "Foreign Consul."

6 Write the price and figure the tax

Note: When completing this form, please round to the nearest dollar by dropping amounts of less than 50 cents and increasing amounts of 50 cents or more to the next higher dollar.

Line 1 Write the total price, including accessories, federal excise taxes, freight and labor, dealer preparation, documentary fees, and any rebates or incentives for which you as a dealer receive reimbursement. Do **not** subtract the value of any rebate made directly to the customer. In general, any cost passed on to the customer as part of the sale of an item and for which gross receipts are received should be included in the total price.

Line 2 If you claimed a qualified trade-in (see Section 4), write the total trade-in credit or value. You must identify the traded-in item in the spaces provided in Section 4.

If you completed Section 5, skip to "Sign the return." Otherwise, continue reading.

Line 3 Subtract Line 2 from Line 1.

Line 4 Multiply Line 3 by your buyer's tax rate. To find the buyer's tax rate,

- visit our web site at tax.illinois.gov, or
- call us at **1 800 732-8866** or call our TDD (telecommunications device for the deaf) at **1 800 544-5304**.

Also, write the tax rate in the correct space on the form.

Line 5

- Write the name of the Illinois county in which the buyer's address is located.
- Is the buyer's address within the limits of an Illinois city or village? If so, write the name of the city or village.
- Is the buyer's address within Madison or St. Clair County? If so, write the name of the township in which the address is located.

Do not write a dollar amount on this line.

Line 6 Write the amount from Line 4.

Line 7 If you are filing this return within 20 days of the date you wrote in Section 3, multiply Line 6 by the rate printed on your return.

Line 7a

We are responsible for collecting and administering the fee on vehicles imposed by the Metro-East Mass Transit District. You owe this fee if, at the end of a lease, you sell a motor vehicle that is located in the Metro-East Mass Transit District portion of St. Clair County. Multiply Line 3 by 0.5 percent (0.005).

- If the result is **less than \$20**, write the result on Line 7a.
- If the result is **\$20 or more**, write \$20 on Line 7a.

Line 8 Subtract Line 7 from Line 6. If you wrote an amount on Line 7a (preprinted), subtract Line 7 from Line 6 then add the amount on Line 7a.

Line 9 If we have notified you that you have an overpayment credit on your account, you may use this overpayment credit to pay some or all of the tax due on this return. Write the amount you wish to use.

Line 10 In order for us to allow a credit amount that you write on this line, you must meet the requirements described in items 1 through 3 below.

Requirements to claim credit for a previously leased item

- Use tax was paid either to an Illinois retailer on Form ST-556 or directly to us on Form RUT-25 when the item was purchased.
- The amount of credit you take on this line is equal to or less than the amount of tax due on the ST-556 on which you are now reporting the retail sale of this previously leased item.
- On the tax return number line, you have written the correct tax return number either from the
 - Form ST-556 filed by the Illinois retailer when you purchased the item and paid the tax, or
 - Form RUT-25 filed when the item was purchased and the tax paid.

Line 11 If you collected more tax than is due on this sale, write the amount you overcollected.

Line 12 Line 8 minus Line 9 minus Line 10 plus Line 11.

Line 13 If you have a credit memorandum and you wish to use it towards what you owe, write the amount you are using on Line 13.

Line 14 Subtract Line 13 from Line 12, and write the amount due. Also, write the number of the remittance you are sending to pay the tax due on this return. If you are filing more than one Form ST-556, please enclose a separate remittance for each return. You owe a **late filing penalty** if you do not file a processable return by the due date, a **late payment penalty** if you do not pay the amount you owe by the original due date of the return, a **bad check penalty** if your remittance is not honored by your financial institution, and a **cost of collection fee** if you do not pay the amount you owe within 30 days of the date printed on an assessment. We will bill you for any amounts owed. For more information, see Publication 103, Uniform Penalties and Interest. To receive a copy of this publication, visit our web site at tax.illinois.gov or call 1 800 356-6302.

Sign the return

Both the seller and all buyers must sign the return.

If you claimed a qualified trade-in for the item sold, the signatures also declare that the title of the traded-in item has been properly assigned and surrendered to the seller.

